

STATE OF MINNESOTA  
DEPARTMENT OF COMMERCE

Bulletin 89-4  
Issued this 23rd Day of  
June, 1989

NOTICE TO ALL INSURERS LICENSED TO WRITE  
LIFE AND HEALTH LINES IN MINNESOTA

In 1989, Minnesota enacted legislation making extensive changes in the life and health coverage. The following is a summary of the major changes. IMPORTANT: DO NOT CONSTRUE THIS BULLETIN AS A COMPLETE EXPLANATION OF ALL 1989 LEGISLATIVE CHANGES. YOU ARE RESPONSIBLE FOR REVIEWING THE STATUTES IN THEIR ENTIRETY AND MAINTAINING FULL COMPLIANCE WITH THEM.

1. Department Omnibus Life & Health Insurance Bill  
Chapter 330 - Date of Enactment - June 1, 1989

MAJOR PROVISIONS:

- (a) Extraterritoriality: All benefits required in chapters 62A and 62E must be provided in all health insurance policies which cover Minnesota residents even if the policy was not issued in Minnesota (effective June 2, 1989).
- (b) Preauthorization: Requests must be responded to within ten (10) business days and approvals may not be withdrawn. Failure to obtain preauthorization in emergencies will not reduce benefits unless insurer can show prejudice or bias due to delay (effective August 1, 1989).
- (c) C.O.B.R.A. Rights: Prior plan must cover former employee for pre-existing condition until pre-existing condition limitations of new plan are met or 18 months. Former plan secondary except as to pre-existing condition (effective August 1, 1989).
- (d) Long term care policies: Prior hospitalization requirements are prohibited (effective for policies issued or renewed after August 1, 1989).
- (e) Cancellation and nonrenewal notices: In general, individual life and health policies must have 30 days notice of cancellation or nonrenewal for failure to pay premium (effective August 1, 1989).

(f) Graded death benefit policy prohibited: Life insurance policies which do not pay the full death benefit or at least four times the premium and interest paid may not be sold (effective June 2, 1989)..


(g) Loss experience: At the request of the insured, loss experience must be provided for the current and proceeding two years. Loss experience may not be requested for more than three years. This applies to all licensed insurers (effective August 1, 1989).

2. Child Health Supervision and Prenatal Care Services  
Chapter 69 (effective for policies issued or renewed after August 1, 1989).

Mandates that child health supervision and prenatal care benefits must be provided and that copayments, deductibles and similar mechanisms do not apply.

3. Long Term Care Accelerated Benefits Rider  
Chapter 125 (effective May 17, 1989).

Allows life insurance, annuity or endowment benefits to pay for long term care expense. In general, Minnesota long term care benefit requirements are required to be met.



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MICHAEL A. HATCH  
Commissioner of Commerce